

OFFICE OF CITY CONTROLLER

CITY OF HOUSTON
INTER OFFICE CORRESPONDENCE

To	Mayor Bill White City Council Members	From	Annis D. Parker City Controller
		Date	May 27, 2004
		Subject	April 2004 Financial Report

Attached is the Monthly Financial and Operations Report for the period ending April 30, 2004.

GENERAL FUND

Total General Fund revenue projections have increased by \$4.9 million. This is mainly due to increases in our property and sales tax estimates as follows:

- The property tax revenue projection is \$659 million, or \$1 million more than last month. Our projection is based on higher than expected delinquent receipts.
- The sales tax revenue projection is \$345.9 million, or \$3.9 million more than last month. Our projection is based on year-to-date receipts, which included a March receipt from the State that was 17% higher than the same period last year. For the remainder of FY 04 we are projecting a 4% increase over FY 03 sales tax revenues.

Total General Fund expenditure projections have increased by \$1.2 million. While this change is comprised of numerous items, the largest factors have been increases in termination pay and savings in worker's compensation expenditures. In addition, the decrease in General Government expenditures is mostly due to the movement of the \$1.5 million in Super Bowl expenditures to the various impacted Departments (for a net zero impact on the General Fund).

Earlier this month I signed, and City Council passed, an appropriations ordinance appropriating \$1.395 billion for General Fund expenditures. With the increase in projected expenditures this month, the General Fund will be \$1.2 million over budget if corrective action is not taken.

ENTERPRISE FUNDS

Convention and Entertainment reflects a decrease in Total Non-operating Revenue of \$661,000. Most of this is due to increases in Contracts/Sponsorships related to the All Star Game with the remainder due to lower projections for interest income.

Water and Sewer reflects a net increase in operating expenses of about \$2.8 million. This is due to an increase in projected personnel expense of \$3.6 million and an increase of \$0.5 million in supplies (fuel). In addition, utilities decreased by \$1.3 million due to projected electricity savings. Non-Operating Revenue reflects decreases in interest income and sale of property, mains and scrap of \$1.45 million and \$0.87 million, respectively.

Operating transfer projections were significantly revised in consideration of the new debt restructuring. A transfer of \$35.7 million to the Combine Utility System Operating Fund is currently planned. Most of these funds will come from the closing of the R&R fund (\$34.79 million decrease since last month). Also, since under the restructuring plan the Equipment Acquisition fund will no longer be used, it was decreased to the amount that has already been transferred (decrease of 8.5 million to \$8.1 million).

Mayor Bill White
City Council Members
April 2004 Monthly Financial and Operations Report

HIGHLIGHTS OF THE BOND STATUS REPORT


COMMERCIAL PAPER	Drawdowns FY04 (in millions)	Drawdowns in April (in millions)	Increased Authorization/ (Refunded) (in millions)	Amount Available to be Drawn (in millions)	Amount Outstanding (in millions)
General Obligation					
<i>(Series A & B)</i>					
<i>Public Improvement Bonds</i>	\$ 44.50	\$ 0.00	\$ (69.00)	\$ 62.50	\$ 315.80
<i>(Series C)</i>	\$ 2.40	\$ 0.00	\$ (45.90)	\$ 0.00	\$ 0.00
<i>Equipment</i>	\$ 3.10	\$ 0.00	\$ (19.10)	\$ 0.00	\$ 0.00
<i>Storm & Overlay</i>					
<i>(Series D)</i>	\$ 57.00	\$ 0.00	\$ 110.00	\$ 205.00	\$ 70.00
<i>(Series E)</i>					
<i>Downtown Streetscape</i>	\$ (0.10)	\$ 0.00	\$ 0.00	\$ 0.10	\$ 5.40
<i>Equipment</i>	\$ 17.10	\$ 0.00	\$ 9.50	\$ 61.90	\$ 17.10
<i>Metro Street Projects</i>	\$ 5.00	\$ 0.00	\$ 63.00	\$ 58.00	\$ 5.00
<i>Cotswald Project</i>	\$ 1.00	\$ 0.00	\$ 7.50	\$ 6.50	\$ 1.00
Water and Sewer	\$ 270.00	\$ 40.00	\$ 0.00	\$ 214.75	\$ 685.25
<i>(Series A & B)</i>					
Aviation	\$ 0.00	\$ 0.00	\$ 0.00	\$ 300.00	\$ 0.00
<i>(Series A,B, & C)</i>					
Convention & Entertainment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 52.50	\$ 22.50
<i>(Series A)</i>					

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure.

As of April 30, 2004, the ratio for each type of outstanding debt was

General Obligation	20.5%
Water and Sewer	16.9%
Aviation	16.0%
Convention & Entertainment	27.1%

Respectfully submitted,


Annise D. Parker
City Controller